GOVERNMENT OF INDIA
DEFENCE
LOK SABHA

UNSTARRED QUESTION NO:1845
ANSWERED ON:08.03.2001
FAKE L.I.C. POLICIES FOR ARMYMEN
RAMJI MANJHI

Will the Minister of DEFENCE be pleased to state:

(a) whether the attention of the Government has been drawn to the news-item captioned, `CBI unearths racket involving fake LIC policies for Armymen` appeared in Indian Express dated September 4, 2000;

(b) whether the CBI has since completed its investigation into the cheating of LIC by Army personnel, LIC officials and others;

(c) the modus operandi adopted to cheat the LIC and the measures taken to plug those loopholes; and

(d) the action taken against the guilty persons?

Answer

MINISTER OF DEFENCE (SHRI GEORGE FERNANDES)

(a) to (d): A statement is attached.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA UNSTARRED QUESTION NO. 1845 8.3.2001

The Central Bureau of Investigation/Anti-corruption Unit, New Delhi has registered a regular case against some unknown officials of Indian Army and some private persons under related provisions of law to investigate into some fake LIC claims, purported to have been preferred by Army men.

2. The modus operandi adopted by the accused persons was that they used to submit proposals for life insurance of non-existing Army personnel, which were accepted by the LIC of India.These Life insurance policies continued to be subscribed for some time at the original branch, whereafter, these were got transferred to some other Branch of LIC.Then, the accused persons used to submit false death certificates purported to have been issued by `Field Mobile Hospital` of the Indian Army.The cause of death, shown in these certificates, used to be mine-blast, landslide etc. Attempts have been made to cheat LIC of India by submitting fake claims, amounting to about Rs. 12.75 lakhs. However, the CBI investigations reveal that the actual amount of cheating comes to around Rs. 7 lakhs. The CBI, who have completed field investigations, are, now, doing legal scrutiny of the available evidence, for further action.